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RUEHJM/AMCONSUL JERUSALEM PRIORITY 0171
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RHMFISS/COMSOCEUR VAIHINGEN GE PRIORITY
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UNCLAS TEL AVIV 001624

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM
NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
HQ USAF FOR XXXX
DA WASHDC FOR SASA
JOINT STAFF WASHDC FOR PA
CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD
LONDON ALSO FOR HKANONA AND POL
PARIS ALSO FOR POL
ROME FOR MFO

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E.O. 12958: N/A
TAGS: [OPRC](#) [KMDR](#) [IS](#)

SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

- [1](#)1. Global War on Terror
- [1](#)2. Lebanon
- [1](#)3. Israel: Governance

Key stories in the media:

The Jerusalem Post reported that diplomatic officials told the newspaper yesterday that while acknowledging that an agreement with

the Palestinians on all issues, including Jerusalem, was impossible by the end of 2008, PM Ehud Olmert still wants to see a "historic agreement" concluded by the end of the year that will explicitly state that Jerusalem will be left for a later day and a different framework. The officials' comments came after Olmert said yesterday in an appearance at the Knesset's Foreign Affairs and Defense Committee that a comprehensive agreement with the PA was impossible by the end of the year due to the difficulty of negotiations surrounding the issue of Jerusalem. However, The Jerusalem Post quoted senior diplomatic officials as saying that Olmert still believed a historic agreement that would touch with "great specificity" on all the other core issues was within reach. According to officials, the agreement would contain a clause defining an agreed-upon mechanism between Israel and the PA for dealing with the issue of Jerusalem in 2009.

Ha'aretz reported that indirect talks between Israel and Hamas over a prisoner swap that will free Gilad Shalit are expected to resume today after they were suspended for three weeks. However, Ha'aretz reported that security officials told the newspaper that talks over the exchange have been hampered by the instability of Israel's government resulting from the corruption investigations against PM Olmert. Ha'aretz's web site quoted a senior source in Jerusalem as saying yesterday that Olmert is willing to further relax the criteria for the release of Palestinian prisoners in efforts to include more names in the list Israel plans to free in the swap deal for Shalit. The source was quoted as saying that Israel has some room for flexibility on the list of hundreds of prisoners Hamas is demanding in exchange for Shalit, but that any compromise by Israel must be met with a compromise by Hamas.

Israel Radio reported that Olmert emissaries Yoram Turbowicz and Shalom Turgeman are leaving for Turkey today for a fourth round of indirect talks with Syria. Ha'aretz reported that senior officials in Jerusalem confirmed yesterday that Syria has carried out a number of measures in recent weeks that reflect that it is taking talks with Israel seriously. Ha'aretz quoted Olmert as saying that he was pleased with the measures and with the negotiations with Syria. He predicted that Israel's talks with Damascus will soon cause Syria to come into conflict with Hizbullah and Iran. Olmert said that when Syria reaches that crossroad it will have to decide which direction to pursue. Meanwhile, Ha'aretz quoted a Western source as saying that Syria is interested in making as much progress as possible with Olmert so that his successor will be bound to whatever commitments he makes. Ha'aretz quoted its sources in Jerusalem as saying that Syria is interested in having the U.S. or a European country mediate talks with Israel. France, which currently holds the Presidency of the Council of the EU, is considered a strong candidate for the role. Major media reported that yesterday Syria's Ambassador to the U.S., Imad Mustafa, told the American branch of Peace Now that a peace deal with Israel, Syria and Lebanon was possible. "Let's sit down, make peace and end this war status once and for all," Mustafa was quoted as saying. He later added that Israel had an opportunity to make peace with Lebanon at the same time. The Jerusalem Post reported that Israeli diplomatic officials were not overly impressed by the interview with Mustafa.

Ha'aretz reported that the defense establishment is close to deciding whether to demolish the Jebel Mukaber home of Ala Abu Dhaim, the terrorist who committed the attack on the Mercaz Harav yeshiva in Jerusalem. However, legal difficulties are still delaying decisions on destroying the houses of the two terrorists who committed the bulldozer attacks in Jerusalem this month, Hussam Duwiat of Sur Baher and Ghassan Abu Tir from Umm Tuba. Ha'aretz quoted Olmert as saying yesterday before the Knesset's Foreign Affairs and Defense Committee that Jews and Arabs living side by side in Jerusalem inevitably leads to terror attacks.

Leading media reported that prominent figures from the "farm (or ranch) forum" that served as a support group to Ariel Sharon will become external advisers to FM Tzipi Livni in her race for Kadima chairmanship. The forum includes strategist Eyal Arad, advertiser Reuven Adler, and Attorney Yoram Rabad. Yediot reported that Livni also tried to gain the support of Histadrut Labor Federation Secretary-General Ofer Eini. The Jerusalem Post reported that PA officials in Ramallah told the newspaper yesterday that the PA is facing a severe financial crisis due to the failure of donor countries to fulfill their pledges to

fund the Palestinians.

The media reported that yesterday the Knesset's State Control Committee decided to establish a state commission of inquiry into the serious water crisis facing Israel. The committee will look at the failure to implement the recommendations of a series of professional committees and cabinet resolutions aimed at addressing the water situation over the years. The commission will also be asked to draft short- and long-term recommendations to ensure a regular supply of water to the public.

The media reported that just eight months after its official launch Jewish American billionaire Sheldon Adelson's free Hebrew daily Israel Hayom (Israel Today) has outdistanced Maariv to become the second most widely circulated newspaper in the country, according to the TGI market research company's biannual survey of exposure for dailies, magazines, and radio stations.

Ha'aretz quoted peace activists operating south of Hebron as saying that the police are persecuting them because of their efforts to help West Bank Palestinians.

Ha'aretz reported that yesterday the Knesset passed a bill transferring from the Interior Ministry to courts almost the entire authority of revoking an individual's citizenship.

The media reported that yesterday the Bank of Israel raised the rate charged to commercial lenders by a quarter of a percentage point to 4%, after inflation exceeded the government's target range for a seventh consecutive month.

Ha'aretz reported that "Exit Wounds," a graphic novel by the Israeli comics artist Rutu Modan, won the 2008 Will Eisner Comic Industry Award this weekend for the best new graphic novel -- the most prestigious U.S. prize for works in the comics industry.

1. Global War on Terror:

Summary:

The conservative, independent Jerusalem Post editorialized:
"Wouldn't the world be a better place if terrorists found no sanctuary, no financial backing and no diplomatic cover -- because, simply, no 'reason' justified their actions?"

Block Quotes:

"Why Terror Thrives"

The conservative, independent Jerusalem Post editorialized (7/29):
"Tragically, the international community has only itself to blame for making terrorism permissible as a tool of war.... One can only fantasize about how much safer the world would be today had the UN, instead of legitimizing Arafat's terrorism, charged him with war crimes. Would disgruntled Muslims have established al-Qaida's global network -- or Abu Sayyaf in the Philippines, Al Shabaab in Somalia, or the Army of Muhammad in India -- had the international community sent a different signal all those years ago? But not only did Arafat get a green light from the international community, the world has since helped nourish self-defeating Palestinian tendencies toward violence, intransigence and radicalism. Seldom have the Palestinians been told to choose between violence and political accommodation. When the Quartet gave Hamas precisely that choice, the Palestinians stood their ground.... Violence may be endemic to mankind, yet the community of nations nevertheless managed to outlaw poison gas and criminalize genocide. Is it beyond people's capacity to, belatedly, define deliberate attacks against civilians as a crime against humanity? Wouldn't the world be a better place if terrorists found no sanctuary, no financial backing and no diplomatic cover -- because, simply, no 'reason' justified their actions?"

2. Lebanon:

Summary:

Deputy Managing Editor and right-wing columnist Caroline B. Glick wrote in the conservative, independent Jerusalem Post: "U.S. military support for Lebanon grows even as the Lebanese armed forces demonstrate at every turn that they collaborate with Hizbullah."

Block Quotes:

"Ending Lebanon's Free Ride"

Deputy Managing Editor and right-wing columnist Caroline B. Glick wrote in the conservative, independent Jerusalem Post (7/29): "U.S. military support for Lebanon grows even as the Lebanese armed forces demonstrate at every turn that they collaborate with Hizbullah.... All of this is depressingly familiar. In many ways, the Siniora government is to Hizbullah in Lebanon what the Fatah terror groups is to Hamas in the Palestinian Authority. As in the case in Lebanon, the U.S. trains, finances, and arms Fatah.... With even the Olmert-Livni-Barak government calling openly for a revision of Resolution 1701 to curtail the Lebanese military's ability to facilitate Hizbullah's rearmament and assertion of control over southern Lebanon, and with even Britain finally classifying Hizbullah's militia as a terror group, the time has come to revisit U.S. policy.... It is reasonable for the U.S. to seek to support pro-Western democrats in the Arab world. It is unreasonable for the U.S. to be bankrolling a terror-controlled regime populated by terrorists and democrats who support their aggression. This is particularly the case when the same terrorists are waging war not only against Israel, but against its own forces in Iraq. Olmert's July 12, 2006 declaration is still apt, Lebanon must be forced to suffer the consequences of its support for Hizbullah."

13. Israel: Governance:

Summary:

Senior columnist and longtime dove Yoel Marcus wrote in the independent, left-leaning Ha'aretz: "When Olmert sheds those crocodile tears about being lynched, he's got it backwards. He is the one who is lynching the State of Israel."

Block Quotes:

"Lynching the State"

Senior columnist and longtime dove Yoel Marcus wrote in the independent, left-leaning Ha'aretz (7/29): "In his book 'Cry the Corrupt Country,' [journalist] Arie Avneri writes that Ehud Olmert has been through 18 police investigations in his political career. And this curriculum vitae has not kept him from climbing to the top. It was no coincidence that Ariel Sharon, mired in a police probe himself, chose Olmert as his right-hand man during the Gaza disengagement.... Olmert knows that he's done for, but he is dragging things out in an attempt to save his own skin and settle accounts. So what if he has a country to run? The surveys show that he has hit rock bottom in the eyes of the public. Israel's citizens have lost faith in him, both as an honest person and a functioning prime minister. When Olmert sheds those crocodile tears about being lynched, he's got it backwards. He is the one who is lynching the State of Israel."

MORENO